NUEXCO

EXECUTIVE SUMMARY
REPORT 221
(All data as of December 31, 1986)

Exchange Value
$16.75, unchanged

The **Exchange Value** is **$16.75** per pound U_3O_8, unchanged since last month.

UF_6 Value
$47.75, down 0.25

The **UF_6 Value** is **$47.75** per kilogram U as UF_6, down 0.25 since last month.

Transactions

One recent natural uranium sale is reported, involving **100,000 to 300,000** pounds equivalent U_3O_8. This sale involved spot or near-term delivery, and met the conditions for inclusion in the Transaction Value. No transactions are reported involving natural UF_6.

Supply-Demand Ratio
decreased to 5.2:1

Active spot and near-term **uranium supply** amounts to **4.1 million** pounds U_3O_8 equivalent, down 385 thousand pounds since last month. Active spot and near-term **uranium demand** totals **800 thousand** pounds, up 30 thousand pounds. The spot and near-term **supply-demand ratio** decreased to **5.2:1.**

Transaction Value
$17.35, up $0.05

The **Transaction Value** is **$17.35** per pound U_3O_8, up $0.05 since last month. The calculation includes 14 transactions involving a total of 2.1 million pounds U_3O_8 and equivalent UF_6, and covers a period of 4 months.

Loan Rate
unchanged at 4%

The **Loan Rate** is **4 percent** per annum, unchanged. One loan transaction involving 100,000 to 300,000 pounds equivalent U_3O_8 is reported.

Conversion Value
$1.80, unchanged

The **Conversion Value** is **$1.80** per pound U as UF_6, unchanged since last month. Active secondary market supply for conversion services for delivery within three years totals 750 thousand pounds U as UF_6. Active demand totals 900 thousand pounds U as UF_6. No secondary market conversion transactions are reported.

SWU Value for
delivery within
one year: $80, unchanged

The **SWU Value** at .3 tails and for delivery within one year is **$80** per SWU, unchanged since last month. No secondary market SWU transactions are reported.

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Essay

Nuexco International Advisory Committee Chairman Mr. J. Robert Wolcott discusses the need for gradualism and restraint in judging South Africa.

United States

DOE Secretary Herrington has announced his finding of non-viability for the US uranium industry for calendar year 1985. In addition, the US Energy Information Administration (EIA) has released its comprehensive study of the US uranium industry, entitled "Uranium Industry Annual 1985." This article briefly examines these recent developments. Separately, the NRC has revoked all general import licenses, to be replaced with special licenses, for the import of South African uranium into the United States.

Focus

The Nuclear Waste Policy Act of 1982 has received considerable attention this year, as recent elections have focused on nuclear waste issues in general, and on site selection for a high-level nuclear waste repository mandated under the Act. This article gives an overview of the Act's provisions and examines some of the recent progress made in its implementation.

1986 Index

This Report includes an index to Reports published in 1986 (209-220).

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NUEXCO REPORT 221 FIGURES OF THE MONTH (December 31, 1986)	This Month (Report 221)	Last Month (Report 220)	12 Months Ago (Report 209)
Exchange Value[1]	16.75	16.75	17.00
Transaction Value[1]	17.35	17.30	16.55
UF_6 Value[2]	47.75	48.00	47.00
Loan Rate[3]	4%	4%	5%
Conversion Value[4]	1.80	1.80	1.60
Near-Term Uranium Supply[5]	4.1	4.5	3.6
Near-Term Uranium Demand[6]	0.8	0.8	2.3
Near-Term Supply-Demand Ratio	5.2	5.9	1.5
Recent Uranium Sales:			
Number of Transactions[7]	1	6	7
Quantity of Material[8]	0.1- 0.3	0.8	0.9
Nuexco SWU Value:[9]			
at 0.3 tails assay and delivery within one year	80	80	80
USDOE SWU Prices:			
USEC	119.00[10]	119.00[10]	125.00[11]
AFC	153.00[12]	153.00[12]	153.00[12]
Requirements	157.00[12]	157.00[12]	157.00[12]
Incentive Price	90.00[13]	90.00[13]	—
Market Value of Enriched UF_6[14,15]:			
2.5 w/o U^{235}	459	459	460
3.0 w/o U^{235}	588	588	589
3.5 w/o U^{235}	719	719	720
4.0 w/o U^{235}	852	852	854

[1]US $ per pound U_3O_8 equivalent.
[2]US $ per kilogram U as UF_6.
[3]Per annum.
[4]US $ per pound U as UF_6.
[5]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[7]Uranium sales only; does not include loans, conversion, or SWU transactions.
[8]Millions of pounds U_3O_8 equivalent.
[9]US $ per SWU.
[10]Effective 10/1/86.
[11]Effective 10/1/85.
[12]Effective 10/1/84.
[13]Effective 10/1/86, for up to 30% of annual requirements.
[14]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 4/30/85 to 11/30/85, calculations used the Nuexco SWU Value for DOE origin and delivery by the end of FY86. As of 12/31/85, calculations use the SWU Value for delivery within one year.
[15]US $ per KgU as UF_6, rounded to the nearest $.

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We are deeply saddened by the recent and untimely deaths of our friends and colleagues **Kim McDonald** and **Jerry Reaves**.

In December 1986, Kim Peyton McDonald succumbed to an inoperable tumor. Kim joined Nuexco in 1980 and during the ensuing six years made a great and lasting impression on all who came to know her, as well as a substantial and enduring contribution to Nuexco's success. It was her human qualities, however, that set Kim apart as someone truly unique. Her enthusiasm, warmth, infectious good humor, modesty, and caring for others were attributes seldom seen to such a degree in one person. Although her condition was first diagnosed in 1978, Kim carried on and lived her life with such joy and intensity that even her closest friends often forgot there was a problem.

Kim was 29. We shall miss her, and we join her husband, Drew, and her family and many others in honoring her life.

M. Jerry Reaves was struck and killed by an automobile on the morning of January 6, 1987 while jogging near his home in Atlanta, Georgia. Jerry was associated with Nuexco for ten years, from 1976 to mid 1986, when he established his own nuclear fuel brokerage business in Atlanta. He was part of the original team that was responsible for Nuexco's growth and success in the early years.

Jerry was a remarkable individual, a quiet, private man, whose depth of character and extraordinary professional abilities were most apparent to those who knew him well. Jerry was a listener and a thinker. When he spoke, people listened with respect. A deep love of family, loyalty to friends, integrity, and a quiet sense of humor are all attributes that caused Jerry to be admired and loved.

Jerry was 45. We join his wife, Jean, his children, Eric, Diana, and Patrick, his family and many friends in mourning the loss of this good and decent husband, father and friend.

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